GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:6498
ANSWERED ON:09.05.2002
DEREGULATION OF PETROLEUM SECTOR
KUMUDINI PATNAIK;SRIKANTA DATTA NARASIMHARAJA WADIYAR

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government have decided to deregulate the petroleum, gas and diesel sector in the country;

(b) if so, whether by deregulation it shall be open to companies to sell their products at a price of their whim or any floor price be fixed for any of the product;

(c) if so, the details thereof;

(d) whether issue of licence to open petrol/diesel pumps and LPG agencies to individuals will be at the discretion of the company and the selection committees under the chairmanship of a retired justice for the purpose be dispensed with; and

(e) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS AND MINISTER OF STATE IN THE MINIS PARLIAMENTARY AFFAIRS (SHRI SANTOSH KUMAR GANGWAR)

(a) to (c): With the dismantling of the Administered Pricing Mechanism in the Petroleum Sector, the prices of all petroleum products, except for PDS Kerosene and domestic LPG, have become market determinedwith effect from 1st April 2002. However, the prices so fixed by the companies are proposed to be monitored by the Petroleum Regulatory Board which would initiate corrective measures to prevent profiteering. Provision has been made in the Petroleum Regulatory Bill 2002 which has been introduced in the Parliament.

(d) & (e): For those new dealerships/distributorships for which the advertisements have been issued in the newspapers uptil 31st March 2002, selection process will be completed through the Dealers Selection Boards. Thereafter, the oil companies will set up their own selection mechanism.